

4. EXTRACT FROM THE AUDITED FINANCIAL STATEMENTS

Statement of Superannuation Adjustment Fund Account  
Teachers' Superannuation Fund  
for the year ended March 31, 1979

	1979	1978
	\$	\$
Balance in Fund Account, on deposit with the Treasurer of Ontario, beginning of year	113,953,855	62,382,120
RECEIPTS		
Contributions		
Employees	22,363,037	21,777,371
Employees teaching in designated private schools	1,412,926*	1,090,011
	23,775,963	22,867,382
Province of Ontario	22,363,037	21,769,700
Payment by the Province for Employees on Long Term Income Protection	40,423	29,622
	22,403,460	21,799,322
Interest Earnings	13,096,622	8,110,368
	59,276,045	52,777,072
DISBURSEMENTS		
Allowances to superannuates, beneficiaries and annuitants	1,810,336	599,454
Refunds of contributions and interest	919,924	598,347
Transfers (net)	7,844	7,536
	2,738,104	1,205,337
Balance in Fund Account, on deposit with Treasurer of Ontario, end of year	170,491,796**	113,953,855

\*This amount includes the contributions of the employees and the matching contributions by the employing designated private schools.

\*\*Pursuant to recommendations of the Review Committee fixed term investments have been made as follows:

Order-in-Council	Amount	Interest Rate	Maturity
1116/76	\$18,886,056	10.18%	March 31, 1991
1143/77	43,496,064	9.61	March 31, 1992
1046/78	51,571,735	9.23	March 31, 1993
1043/79	56,537,941	9.95	March 31, 1994

5. MEMBERS OF THE REVIEW COMMITTEE

Government Representatives

T. G. Hills, Chairman  
J. M. McConnell  
R. E. Saunders  
A. T. Shelley

Teacher Representatives

A. Murray, Chairman  
D. L. Aylsworth  
M. Beckingham  
J. M. Cantin

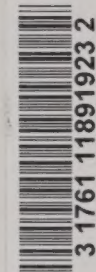
6. ACKNOWLEDGEMENTS

The Committee acknowledges with appreciation the assistance which has been received throughout the year from Mr. R. G. Buck and Mr. J. R. Causley.

7. COMMUNICATIONS

Communications may be addressed to Mr. J. R. Causley, Director, Teachers' Superannuation Commission, 190 Finch Avenue West, Willowdale, Ontario M2R 1M4, Telephone (416) 226-2700, who will arrange for them to be forwarded to the appropriate agency for reply.

When corresponding with the Commission concerning a personal entitlement, the teacher must quote his/her social insurance number in order to obtain information.



Report of the Review Committee

Teachers' Superannuation Adjustment Fund Account

for the year ended March 31, 1979

DEPOSITORY LIBRARY MATERIAL

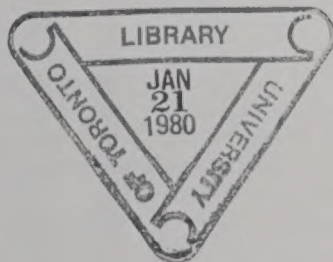
TABLE OF CONTENTS

1. Preamble
2. Nature of the Review Committee
3. Current Cash Flow Projections
4. Extract from the Audited Financial Statements
5. Members of the Review Committee
6. Acknowledgements
7. Communications

1. PREAMBLE

The Superannuation Adjustment Fund was established under the Superannuation Adjustment Benefits Act, July 1975 of the Legislative Assembly of Ontario.

- Matching contributions have been made to the Teachers' Superannuation Adjustment Fund Account by teachers and the Government since September 1975.
- The Fund provides superannuation escalation benefits to teachers who retire on or after September 1, 1975. (The Government continues to bear the full cost of escalation to teachers who retired prior to September 1, 1975).
- The teachers and the Government each contribute 1% of salary. This rate of contribution is to remain unchanged until January 1, 1981.
- Any decision to change the rate of contribution at that time will depend on many factors, including the:
  - i) rate of inflation
  - ii) number of contributors and their salary levels
  - iii) rate of return on investment



2. NATURE OF THE REVIEW COMMITTEE

The Review Committee was established to monitor the Adjustment Fund Account closely. The terms of reference of the Committee are to:

- (a) facilitate communications between the Ontario Teachers' Federation and the Government of Ontario respecting the monitoring of the Adjustment Fund Account;
- (b) receive and consider annually the report of member and Government of Ontario contributions to the Adjustment Fund Account, together with estimates of future contributions;
- (c) consider annually an actuarial report showing the benefits paid to date, accompanied by an estimate of future benefits to be paid;
- (d) make recommendations with respect to the term of investment of the Adjustment Fund Account monies;
- (e) receive and consider annually a report of the investments and net value of the Adjustment Fund Account together with the estimated future investments and net value figures;
- (f) make recommendations respecting future contributions to, and benefits payable from, the Adjustment Fund Account; and
- (g) consider and make recommendations on any other subject related to the Adjustment Fund Account as may be agreed upon between the Government of Ontario and the Ontario Teachers' Federation.

The Review Committee is made up of 4 teacher representatives and 4 government representatives. The Chairmanship of the Committee alternates between a teacher representative and a government representative.

The Committee has met twice since the September 1978 Report of the Review Committee.

3. CURRENT CASH FLOW PROJECTIONS

While a statement of Receipts and Disbursements with relevant Notes is presented elsewhere in this Report, an important factor is the cash flow of the Fund. It should be noted that the cash flow data will be reviewed annually by the Committee. The following tables display estimated cash flow based upon the present rate of contributions using variable assumptions:

TABLE I

- Assuming:
- 1. variable inflation rates 7.25% (1978) — Declining to 4% in 1991
  - 2. variable return on investment from 9.5% in 1978 to 6.25% in 1991 and 6% thereafter
  - 3. zero growth in contributors
  - 4. contributions are 1% of salary from each of employee and employer

\$ MILLIONS			
Year*	Contributions Received	Benefits Paid	Balance in Fund
1980	56.50	12.37	281.45
1985	82.85	56.22	651.24
1990	110.97	133.96	938.27
1995	138.78	257.08	846.56

TABLE II

- Assuming:
- 1. sustained 8% inflation
  - 2. variable return on investment from 9.5% in 1978 to 8.25% in 1983 and 8% thereafter
  - 3. zero growth in contributors
  - 4. contributions are 1% of salary from each of employee and employer

\$ MILLIONS			
Year*	Contributions Received	Benefits Paid	Balance in Fund
1980	57.49	13.69	281.23
1985	88.82	73.35	622.40
1990	131.52	218.67	718.72
1995	186.66	541.52	-283.04

Average rate of inflation 1913-1978 = 2.822%  
\*These are purely representative years at 5 year intervals, and are taken from detailed actuarial projections presented at the February 28, 1979 Review Committee Meeting in accordance with the Committee's terms of reference.